

## **FACT SHEET**

### **PROMOTING A HEALTHY HAWAI'I 2006 INITIATIVES**

Healthy lifestyles and access to quality health care can significantly enhance one's quality of life. For this reason, improving healthcare and availability of medical services are among the top priorities of the Lingle-Aiona Administration.

#### **Encourage Healthy Habits**

The Administration proposes prohibiting smoking in all State-owned or State-leased buildings, including outside lanais and areas not roofed but connected to the building. This action will create an up-to-date standard of care for exposure to tobacco smoke at State-run workplaces. The present law dates back to 1987.

The United States Environmental Protection Agency (EPA) has identified second-hand smoke as a direct cause of lung cancer in humans and has placed it in the same cancer-causing category as radon, benzene and asbestos. Over 600 county jurisdictions and eight states have enacted laws creating smoke-free workplaces and public places. This action will reduce the State's potential liability for second-hand smoke related worker compensation claims, encourage smokers to quit, and protect non-smokers employed in or visiting State-run buildings.

#### **Expand Access to Quality Health Care**

The Administration proposes to modernize medical malpractice laws to address the adverse impact of limited access to quality health care and to protect doctors and other professionals from excessive legal costs.

Doctors, hospitals, and other medical service providers have consistently indicated that one of their biggest and most rapidly increasing costs is medical malpractice insurance. Evidence exists that the high costs of such insurance have caused some doctors to leave certain specialties. A poll, People's Pulse, found that 80% of Hawai'i residents believe we need legal reform for doctors, and between 42% and 62% of residents of neighbor isles have experienced or heard of shortages of doctor services.

There is no standard for a jury or judge to use in measuring non-economic damages (pain and suffering or emotional distress). Therefore, awards vary wildly and continue to increase significantly. Insurance companies find it very difficult to predict what awards and claims will be. The bill would allow an injured party to claim the full amount of medical costs and the full recovery of any economic losses they may have incurred.

To help counter the rising costs of this type of insurance and bring some stability and rational basis to awards, limits on the payout of non-economic damages under medical malpractice suits must be established. Non-economic damages are such things as stress, mental anguish, or loss of enjoyment of life. The limit for this type of compensation would be set at \$250,000.

The bill allows periodic payment of damages rather than just lump sum payments. It also limits what is called “joint and several liability,” which allows more than one person to be charged with the negligence but the person with the most money bears the largest cost, even if they had only a minor role in causing the error or omission. Healthcare providers who are less than 25% negligent would only be responsible for their proportion of damages.

Limits would also be set on the amount of funds the attorneys could collect. The attorney fees limit would be a percentage of the value of the final settlement based on a sliding scale.

The Lingle-Aiona FY 2007 supplemental budget increases Medicaid coverage to an additional 20,000 adults and 9,000 children over the next six years using mostly federal funds. The Department of Human Services has entered into an unprecedented agreement with the federal Department of Health and Human Services to pay 100% of the cost of covering 20,000 more adults with medical insurance. Additionally, 9,000 children will also receive health coverage with the State only having to pay one-third of the cost.

The Administration proposes restoring for the first time in 10 years dental health programs for all adults enrolled in the State’s Medicaid and QUEST health insurance programs. Low-income adults enrolled in the State’s medical insurance programs were able to receive preventive dental care until 1996. The program was ended at that time to save money. Unfortunately, this meant adults had to wait until they had major dental problems, such as an abscess or root canal, to get their dental costs paid. Routine preventive care, such as oral exams, teeth cleaning, and X-rays were not paid by the State.

It is time these medical services are re-established for low-income adults enrolled in the QUEST and Medicaid programs. The total FY 2007 cost would be \$1.99 million.

The Administration is requesting legislation to allow the State’s QUEST health plan to provide its clients the same access to immunosuppressant prescriptions that Medicaid fee-for-service clients receive. Last year the Legislature passed Act 239 which restricted access by Medicaid recipient to certain psychotropic drugs. The Lingle-Aiona Administration’s proposal would allow open access for Medicaid patients who need these medications, regardless of whether they are in a fee-for-service type program or covered under the State’s QUEST Health Plan.

Similarly, Act 241 passed last year, placed restrictions on QUEST patients using immunosuppressant drugs. The Administration is proposing that individuals who suffer from human immunodeficiency virus, acquired immune deficiency syndrome, hepatitis C, or who are in need of immunosuppressives as a result of an organ transplant should be able to obtain these medications to control their illness, regardless of whether they are in Medicaid fee for service or QUEST medical plans.

The Administration is again proposing legislation to allow self-employed individuals and trade associations to take group health insurance plans. The bill passed in 2004 will sunset on December 31, 2006. This arrangement affords the trade association members the benefits of group rating that may make premiums more affordable. The trade association under this reform in effect acts as a purchasing pool that can combine smaller businesses with larger businesses for possible premium savings or stability.

Hawai'i is ranked as one of the highest states in the nation in the average cost employers pay in workers' compensation premiums. The Lingle-Aiona Administration has proposed legislation to establish a network of medical providers to treat injured workers so they can promptly return to work.

Studies show that Hawai'i has a high percentage of injured workers who miss work due to their injury. Studies also show that it takes longer for injured employees to return to work. These occurrences are due to over-utilization of medical care that only serve to further harm the injured employee physically, mentally, and financially.

Establishing an employer designated health care provider networks will allow an employer to better control costs by giving them greater input as to who can provide treatment. The Workers' Compensation Research Institute has shown that "...workers' compensation medical networks are generally associated with much lower medical costs: 16 to 46 percent lower if the injured worker is treated exclusively by network providers and up to 11 percent lower if the worker is treated predominately, but not exclusively by network providers."

### **Address Long-Term Living**

The Administration is again proposing a refundable tax credit up to \$1,000 for families who purchase long-term care insurance for their loved ones.

The future of long-term care for Hawai'i's senior and adult disabled population is one of the most critical health issues facing Hawai'i in the twenty-first century. Persons 60 years of age and older presently account for almost one-fifth of the adult population in the State. By 2020, they will constitute more than one-fourth of Hawai'i's adult population.

To resolve the impending long-term care crisis, the Department of Health, at the direction of Governor Lingle, established a Long-Term Care Task Force. The Task Force developed as one of its central recommendations this proposed individual and employer's long-term care tax credit.

Taxpayers may claim the tax credit for long-term care insurance that the taxpayer purchases for the taxpayer, a spouse, a son or daughter, a stepson or stepdaughter, a father or mother, a stepfather or stepmother, or a dependent living in the taxpayer's home. Individuals may claim a credit of up to \$500 and families may claim up to \$1,000.

Also, the Administration will recommend tax credits for companies who provide long-term care insurance for their employees. The amount of the employer's tax credit is the lesser of \$50 or fifty percent of the qualified long-term care premiums paid annually for each employee.

The Administration is proposing to repeal the sunset date of June 30, 2006 on Home and Community Based Care Homes. They should be made permanent. We are further proposing to increase the number of Medicaid clients who can be cared for in these homes at any one time from two to three.

The additional bed space is needed to accommodate the continued growth anticipated in the Residential Alternative Community Care program. Between 2007 and 2011, the number of clients in this program is expected to increase by approximately 31%, from a current level of 1,300 to 1,700.

Additionally, this proposal would allow licensed adult residential care homes (ARCH) to serve at any one time six, rather than five, clients.

## **Improve Services and Facilities**

The Administration is again proposing a bill to require background checks for health care workers in facilities licensed by the Department of Health and the Department of Human Services.

It is important to conduct timely and accurate criminal history checks on persons providing care or having access to residents of skilled nursing homes, intermediate care facilities, adult residential care homes, assisted living facilities, home health agencies, hospices, adult day health centers, therapeutic care facilities, and agencies that care for mentally retarded or incapacitated individuals.

The proposal provides immunity to the departments of health and human services when they take adverse employment action against an individual whose background makes them unsuitable to work with vulnerable populations.

The FY 2007 supplemental budget submitted by the Governor provides \$5.3 million for the Maui Memorial Medical Center expansion; \$1 million in repairs at Leahi State Hospital; and \$5 million in state and federal funds for the new Hilo Veterans Home. These investments will help meet the growing demand for health care at these major State facilities.

It also provides \$15 million to purchase and stockpile up to 250,000 doses of flu vaccine in the event of a pandemic in Hawai'i.

Highly pathogenic avian influenza has spread across Asia and has been detected in Eastern Europe. While primarily affecting birds at the present time, at least 137 human cases have been reported in China, Vietnam, Thailand, Indonesia and Cambodia, with a mortality rate of approximately fifty percent (50%).

A pandemic occurs when a novel influenza virus emerges that can infect and be efficiently transmitted among individuals because of a lack of pre-existing immunity in the population. The extent and severity of a pandemic depends on the specific characteristics of the virus. Although a novel influenza virus could emerge from anywhere in the world at any time, scientists are concerned about the avian influenza (H5N1) currently circulating in Asia and parts of Europe.

The number of doses reflects the estimated vulnerable population, most notably children and elderly adults. Arrangements will be put in place to rotate the supply as needed.

## **Enhance Services for the Mentally Ill and Disabled**

The Lingle-Aiona budget for FY 2007 includes providing an additional \$3.5 million to cover an increase in adolescent mental health services. We also want to immediately increase by \$5 million funds to provide services for developmentally disabled persons and provide and include an additional \$7.7 million for adult mental health community-based services. These funds are essential to meet the Action Plan established by the court appointed Special Master.

The Lingle-Aiona Administration is proposing a bill to increase emergency funding levels by \$10.9 million for the State Mental Hospital and Adult Mental Health division to provide more acute care beds at Kahi Mohala and similar community centers to relieve the overcrowding at the Hawai'i State Hospital; supplemental funds will also be used to increase security at the Hawai'i State Hospital; purchase beds at skilled nursing facilities for mental health patients with severe physical disabilities; and support outpatient services.

The budget includes an increase in funding of \$1.5 million for mental health counseling services for OCCC inmates. This will increase the number of clinical staff for the severely mentally ill, upgrade the closed circuit TV suicide watch monitoring system, and better provide intake screening for those who may be suffering from mental problems.

An emergency appropriation bill is being submitted to provide \$416,736 to restore the \$418 monthly general assistance (GA) benefit payment to help temporarily disabled persons afford food, rent, and other basic necessities.

The General Assistance program provides cash benefits to adults between the ages of 18 and 64 who have no minor dependents, are disabled, and who do not qualify for Social Security benefits. To be eligible, the adult must have little or no income and not qualify for any other federal assistance. The average amount of time an individual is on this program is seven months.

The program is funded by a lump sum, which was cut by \$1 million by the State Legislature in 2005. This reduction will result in lowering the monthly payment to general assistance recipients from \$418 per month to \$391 per month. Because these are people who genuinely need every dollar they receive, the Administration is asking for enough funds to keep the monthly payment at \$418 for the balance of the fiscal year.